

House File 2084 - Introduced

HOUSE FILE 2084

BY LOHSE, YOUNG, OSMUNDSON,
and BLOOMINGDALE

A BILL FOR

1 An Act relating to the minimum amounts required for motor
2 vehicle financial responsibility, and making penalties
3 applicable.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321A.1, subsection 11, Code 2024, is
2 amended to read as follows:

3 11. "*Proof of financial responsibility*" means proof of
4 ability to respond in damages for liability, on account of
5 accidents occurring subsequent to the effective date of the
6 proof, arising out of the ownership, maintenance, or use of a
7 motor vehicle, in the amount of ~~twenty~~ fifty thousand dollars
8 because of bodily injury to or death of one person in any one
9 accident, and, subject to the limit for one person, the amount
10 of ~~forty~~ one hundred thousand dollars because of bodily injury
11 to or death of two or more persons in any one accident, and
12 the amount of ~~fifteen~~ twenty-five thousand dollars because
13 of injury to or destruction of property of others in any one
14 accident.

15 Sec. 2. Section 321A.5, subsection 3, Code 2024, is amended
16 to read as follows:

17 3. A policy or bond is not effective under [this section](#)
18 unless issued by an insurance company or surety company
19 authorized to do business in this state, except that if the
20 motor vehicle was not registered in this state, or was a motor
21 vehicle which was registered elsewhere than in this state at
22 the effective date of the policy or bond, or the most recent
23 renewal thereof, the policy or bond is not effective under this
24 section unless the insurance company or surety company if not
25 authorized to do business in this state executes a power of
26 attorney authorizing the department to accept service on its
27 behalf of notice or process in any action upon the policy or
28 bond arising out of the accident. Every such policy or bond
29 is subject, if the accident has resulted in bodily injury or
30 death, to a limit, exclusive of interest and costs, of not less
31 than ~~twenty~~ fifty thousand dollars because of bodily injury
32 to or death of one person in any one accident and, subject to
33 the limit for one person, to a limit of not less than ~~forty~~
34 one hundred thousand dollars because of bodily injury to or
35 death of two or more persons in any one accident, and, if the

1 accident has resulted in injury to or destruction of property,
2 to a limit of not less than ~~fifteen~~ twenty-five thousand
3 dollars because of injury to or destruction of property of
4 others in any one accident.

5 Sec. 3. Section 321A.15, subsection 1, paragraphs a, b, and
6 c, Code 2024, are amended to read as follows:

7 a. When ~~twenty~~ fifty thousand dollars has been credited upon
8 any judgment or judgments rendered in excess of that amount
9 because of bodily injury to or death of one person as the
10 result of any one accident.

11 b. When, subject to the limit of ~~twenty~~ fifty thousand
12 dollars because of bodily injury to or death of one person, the
13 sum of ~~forty~~ one hundred thousand dollars has been credited
14 upon any judgment or judgments rendered in excess of that
15 amount because of bodily injury to or death of two or more
16 persons as the result of any one accident.

17 c. When ~~fifteen~~ twenty-five thousand dollars has been
18 credited upon any judgment or judgments rendered in excess of
19 that amount because of injury to or destruction of property of
20 others as a result of any one accident.

21 Sec. 4. Section 321A.21, subsection 2, paragraph b, Code
22 2024, is amended to read as follows:

23 b. Shall insure the person named in the policy and any other
24 person, as insured, using the motor vehicles with the express
25 or implied permission of the named insured, against loss from
26 the liability imposed by law for damages arising out of the
27 ownership, maintenance, or use of the motor vehicles within the
28 United States of America or the Dominion of Canada, subject to
29 limits exclusive of interest and costs, with respect to each
30 such motor vehicle, ~~twenty~~ fifty thousand dollars because of
31 bodily injury to or death of one person in any one accident
32 and, subject to said limit for one person, ~~forty~~ one hundred
33 thousand dollars because of bodily injury to or death of two
34 or more persons in any one accident, and ~~fifteen~~ twenty-five
35 thousand dollars because of injury to or destruction of

1 property of others in any one accident.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill increases the minimum amounts of coverage
6 required for motor vehicle financial responsibility for bodily
7 injury or death of one person (\$20,000 to \$50,000), bodily
8 injury or death of two or more persons (\$40,000 to \$100,000),
9 and property damage (\$15,000 to \$25,000). Such amounts
10 match the requirements under current law for transportation
11 network company drivers (Code chapter 321N). The bill makes
12 corresponding changes to provisions regarding associated
13 policies, bonds, and judgments.

14 A person who violates a provision of Code chapter 321A
15 which does not otherwise provide a penalty commits a serious
16 misdemeanor, punishable by confinement for no more than one
17 year and a fine of at least \$430 but not more than \$2,560.

18 In addition, Code section 321.20B prohibits a person from
19 driving a motor vehicle unless financial liability coverage is
20 in effect for the vehicle and the person carries proof of such
21 coverage. By operation of law, the associated coverage amounts
22 are increased by the bill. A person who violates Code section
23 321.20B commits a simple misdemeanor punishable by a \$325
24 scheduled fine. If a violation is discovered in connection
25 with a motor vehicle accident, the fine increases to \$645. The
26 person is also subject to possible removal of the vehicle's
27 registration plates and registration receipt, and impoundment
28 of the vehicle.